

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

PURCHASED WATER ADJUSTMENT OF)
LAKE VILLAGE WATER ASSOCIATION,) CASE NO. 8583
INC.)

O R D E R

On October 8, 1982, Lake Village Water Association, Inc., ("Lake Village") filed its application with the Public Service Commission ("Commission") seeking approval of a purchased water adjustment clause and authority to adjust its rates for service in accordance with the clause.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. The purchased water adjustment clause sought by Lake Village is in compliance with 807 KAR 5:067, Purchased Water Adjustment Clause, and should be approved.
2. The statements of water purchased and sold filed by Lake Village show that its line loss is approximately 45 percent. After adjusting the line loss to the maximum of 15 percent allowed by the Commission, the total allowable increase in purchased water costs is \$8,164 or \$0.1282 per 1,000 gallons.
3. The financial exhibits filed by Lake Village indicate that it cannot absorb an increase of this magnitude in the cost of wholesale water.

4. The rates proposed by Lake Village are unfair, unjust and unreasonable in that they will produce increased revenue in excess of the maximum allowable change in purchased water costs under the purchased water adjustment clause and should, therefore, be denied.

5. The rates in Appendix A are the fair, just and reasonable rates to be charged by Lake Village and should be approved.

IT IS THEREFORE ORDERED that the purchased water adjustment clause filed by Lake Village be and it hereby is approved effective on and after the date of this Order.

IT IS FURTHER ORDERED that the purchased water adjustment and the rates proposed by Lake Village be and they hereby are denied.

IT IS FURTHER ORDERED that the purchased water adjustment in the amount of \$.1282 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of Lake Village the base rate for purchased water shall be:

<u>Supplier</u>		<u>Rate</u>
City of Danville, Kentucky		Per 100 cu. ft.
First	20,000 cu. ft.	\$1.00 (Min. \$200.00 per Month)
Next	80,000 cu. ft.	.80
Next	100,000 cu. ft.	.62
Next	300,000 cu. ft.	.52
All Over	500,000 cu. ft.	.50

A surcharge of 30 percent is added to the total water bill.

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Lake Village shall file with the Commission its revised tariff sheets setting out the purchased water adjustment clause and the rates approved herein.

Done at Frankfort, Kentucky, this 5th day of November, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8583 DATED 5th day
of November, 1982.

The following rates are prescribed for customers of Lake Village Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GALLONAGE BLOCK

RATES

First	1,000 gallons	\$7.58 Minimum Bill
Next	2,000 gallons	2.93 per 1,000 gallons
Next	2,000 gallons	2.33 per 1,000 gallons
Next	5,000 gallons	1.68 per 1,000 gallons
Over	10,000 gallons	1.38 per 1,000 gallons